



## STATE BOARD OF LAND COMMISSIONERS

C. L. "Butch" Otter, Governor and President of the Board

Ben Ysursa, Secretary of State

Lawrence G. Wasden, Attorney General

Donna M. Jones, State Controller

Tom Luna, Superintendent of Public Instruction

George B. Bacon, Secretary to the Board

### Final Minutes Regular Land Board Meeting January 17, 2008

The regular meeting of the Idaho State Board of Land Commissioners was held on Thursday, January 17, 2008 in Boise, Idaho. The meeting began at 9:10 a.m. in the second floor courtroom of the Borah Post Office building. The Honorable Governor C. L. "Butch" Otter presided. The following members were present:

Honorable Secretary of State Ben Ysursa  
Honorable Attorney General Lawrence Wasden  
Honorable State Controller Donna Jones

Secretary to the Board Director George Bacon

Superintendent Luna was absent for this meeting. Governor Otter noted a quorum was present.

#### • **CONSENT**

A motion was made by Controller Jones to approve the Consent Agenda in its entirety. Attorney General Wasden seconded the motion with a clarification that agenda item 7, draft final minutes, covered both the December 4, 2007 special meeting of the Board and the December 20, 2007 regular Board meeting. The motion carried on a vote of 4-0, with Superintendent Luna being absent for this vote.

#### **1. Director's Report – approved**

- A. Interest Rate on Department Transactions – December 2007
- B. Timber Sale Activity Report
- C. Timber Sale Official Transactions – December 2007
- D. Legal Matter Summary – December 2007
- E. Bureau of Surface and Mineral Resources, Official Transactions – November 2007
- F. Bureau of Real Estate, Official Transactions, Land Sale – November 2007
- G. Bureau of Real Estate, Official Transactions, Easement – November 2007
- H. Fire Settlement Information

*DISCUSSION:* Director Bacon noted on Timber Sale B, Lower Prater, harvest figures indicate that timber sale receipts attained a five-year monthly high. Staff believes this change is due to a combination of factors, including weather and an increased harvest instituted several years ago. Director Bacon remarked that this information reflects good performance in comparison with the national timber market.

2. **Timber Sales** – Staffed by Roger Jansson, Operations Chief-North, and Kurt Houston, Operations Chief-South – **approved**

NORTH OPERATIONS

A. Spring Creek	CR-20-0271	2,300 MBF	Bonner
B. Lower Prater	CR-20-0273	1,100 MBF	Bonner

SOUTH OPERATIONS

C. Burnt Bat	CR-42-5027	7,835 MBF	Clearwater
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3. **Disclaimer of Interest for the Former Bed of Bear Lake, Bear Lake County, Idaho (Baldwin)** – Staffed by Keith O'Connor, Lands Program Specialist, Bureau of Real Estate – **approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for one parcel totaling 7.91 acres of land below the 1875 meander line and above the 5923.65 foot elevation line of Bear Lake and to require Kathryn Pugmire Baldwin to pay a fee of \$600.00 to the Department of Lands for this transaction.

*DISCUSSION:* \* See below.

*BOARD ACTION:* Approved.

4. **Disclaimer of Interest for the Former Bed of Bear Lake, Bear Lake County, Idaho (Sorenson)** – Staffed by Keith O'Connor, Lands Program Specialist, Bureau of Real Estate – **approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for one parcel totaling 8.12 acres of land below the 1875 meander line and above the 5923.65 foot elevation line of Bear Lake and to require Merlyn Sorenson and Darrell H. Sorenson to pay a fee of \$600.00 to the Department of Lands for this transaction.

*DISCUSSION:* \* See below.

*BOARD ACTION:* Approved.

5. **Disclaimer of Interest for the Former Bed of Bear Lake, Bear Lake County, Idaho (Johnson)** – Staffed by Keith O'Connor, Lands Program Specialist, Bureau of Real Estate – **approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for one parcel totaling 10.75 acres of land below the 1875 meander line and above the 5923.65 foot line of Bear Lake and to require Scott N. Johnson and Shirley D. Johnson to pay a fee of \$600.00 to the Department of Lands for this transaction.

*DISCUSSION:* \* See below.

*BOARD ACTION:* Approved.

**6. Disclaimer of Interest for the Former Bed of Bear Lake, Bear Lake County, Idaho (Pugmire) – Staffed by Keith O'Connor, Lands Program Specialist, Bureau of Real Estate – approved**

*DEPARTMENT RECOMMENDATION:* Direct the Department to issue a disclaimer of interest for one parcel totaling 7.69 acres of land below the 1875 meander line and above the 5923.65 foot elevation line of Bear Lake and to require Erma Pugmire to pay a fee of \$600.00 to the Department of Lands for this transaction.

*DISCUSSION:* \* See below.

*BOARD ACTION:* Approved.

\* *DISCUSSION - BEAR LAKE DISCLAIMERS:* For clarification, Governor Otter asked if the State is disclaiming up to the high watermark and if any endowment lands are impacted. Director Bacon stated the disclaimers do not include endowment land. These private properties have clouded titles down to the high watermark, and the State only claims ownership to the high watermark.

**7. Minutes – approved**

- A. Special Land Board Meeting – December 4, 2007
- B. Regular Land Board Meeting – December 20, 2007

• **REGULAR**

**8. Endowment Fund Investment Board Manager's Report – Presented by Larry Johnson, Manager of Investments**

- A. Monthly Report
- B. Investment Report

Mr. Johnson stated the Fund's fiscal year-to-date return is 3.6%. He also reported that the Endowment Fund Investment Board met on January 15 to discuss spending policy and asset allocation. Mr. Johnson will present the EFIB's decisions and recommendations to the Land Board at its February 21, 2008 meeting.

No action was taken on this agenda item.

**9. Land Board Meetings Outside of Boise – Presented by George Bacon, Director – approved**

*DEPARTMENT RECOMMENDATION:* That the Board direct the Secretary to establish two regular meetings of the State Board of Land Commissioners outside of Boise with the June 2008 meeting in Coeur d'Alene and an October 2008 meeting in Pocatello.

*DISCUSSION:* Attorney General Wasden commended Governor Otter on the success of his Capitol for a Day project with meetings being held throughout the State. The presence of state agency directors at those meetings has allowed the public an opportunity to interact with agency leaders to have questions answered and matters dealt with that concern them. Attorney General Wasden noted that the success of the Capitol for a Day meetings reinforced the reasons why the Land Board has chosen to also move its meetings twice each year to different locations around the state. Although it is recognized that additional costs will be incurred by these off-site meetings, the benefit to the public outweighs the cost. With that, Attorney General Wasden moved adoption of the Department's recommendation. Controller Jones seconded the motion for the purpose of discussion.

Controller Jones asked if there would be any objection to holding the June meeting in Pocatello and the October meeting in Coeur d'Alene. Secretary of State Ysursa noted that representatives of the mining industry are interested in providing Land Board members with a tour of a mine in the Pocatello area. Due to weather considerations, June is a better month for a tour. Secretary of State Ysursa stated he has no objection to the June meeting being held in Pocatello.

While he had no problem with amending his motion to change the meeting locations, Attorney General Wasden asked if the Department had any objection. Director Bacon stated at this time specific issues have not been determined so the requested change would not have an impact. Based on Director Bacon's response, Attorney General Wasden amended his motion to adopt the Department's recommendation with the change noted that the June 2008 meeting will be held in Pocatello and the October 2008 meeting will be held in Coeur d'Alene.

Governor Otter asked Director Bacon to provide an estimated cost for these meetings. He stated that the costs provided by the Department for the Lewiston meeting were helpful. He feels the cost was justified because of the timeliness of the issues and the fact that the venue dealt with some of the specific issues in that area.

**BOARD ACTION:** A motion was made by Attorney General Wasden to adopt the Department's recommendation. Controller Jones seconded the motion for discussion purposes. Controller Jones asked if there would be any objection to switching the meeting locations so that the Pocatello meeting would occur in June and the Coeur d'Alene meeting would occur in October. Hearing no objection, Attorney General Wasden amended his motion to adopt the Department's recommendation with the amendment that the June off-site meeting would be held in Pocatello and the October off-site meeting would be held in Coeur d'Alene. The motion carried on a vote of 4-0, with Superintendent Luna being absent for this vote.

- **INFORMATION**

**Director Bacon provided background on the Information agenda items. No Land Board action is required on the Information Agenda.**

**10. Wind Lease – Staffed by Bob Brammer, Assistant Director, Lands, Minerals, Range**

**DISCUSSION:** Director Bacon stated this item covers a wind energy lease and wind energy project Request for Proposal. Wind power is anticipated to fall under commercial leasing, which, for endowment lands, is covered under Idaho Code § 58-307. With the Department's concurrence, industry brought forward legislation in 2007 to specify that wind power is a commercial venture. At that time the Department recognized that there are many opportunities where the State is the majority land holder, and the Request for Proposal process might be the best way to proceed to allow the State to evaluate development opportunities. The Department also recognized that other projects exist where the State is a minor player. These projects provide a good opportunity for the State to work with these projects as they move forward. Idaho Code § 58-307 was changed in 2007 to allow the Board to enter into individual negotiations or to pursue Requests for Proposals. Department staff has been meeting with industry and, in January 2008, several Department staff attended the Western States Land Commissioners annual meeting where they had an opportunity to discuss this topic with other state representatives. A draft lease is currently under review, and the Department plans to bring that lease to the Board for final approval and use in the near future.

**11. Timber Supply Stabilization Act of 1989, Title 58, Chapter 10, Idaho Code – Staffed by George Bacon, Director**

*DISCUSSION:* Director Bacon provided an update on the Timber Supply Stabilization Act. In August 2007, based on an Attorney General's opinion, the Board directed the Department to not enforce the qualified bidder's requirement. Since that time interest has been expressed in looking at the Chapter to see what could be done to make it more acceptable. It is anticipated that legislation will be brought forward by various interests during the current legislative session. The Department has provided comments. The information provided today is subject to additional change.

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As a side note, Governor Otter stated he has directed Toni Hardesty, Director, Department of Environmental Quality, to review the possibilities for Idaho in cap-and-trade on carbons and other emissions. He believes there is a potential that endowment lands could play a large role in that effort. He has asked Director Hardesty to contact other state agencies who could also play a major role. He stated every time a tree is planted on endowment land, the State should receive carbon credits. One of the reasons the State can play a major role is because its carbon footprint is probably one of the lowest in the nation. He asked that Director Bacon contact Director Hardesty to see how the State's efforts can be synergized to realize the greatest potential.

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At 9:27 a.m. a motion was made by Attorney General Wasden to resolve into Executive Session pursuant to Idaho Code § 67-2345 §§ (b)(c) for the purposes of discussing the evaluation of a public officer and the acquisition of an interest in real property which is not owned by a public agency. Attorney General Wasden requested a roll call vote for this motion. Secretary of State Ysursa seconded the motion. [Roll Call Vote: Governor Otter – aye; Secretary of State Ysursa – aye; Attorney General Wasden – aye; Controller Jones – aye; Superintendent Luna – absent]

At 9:29 a.m. Governor Otter left the meeting.

• **EXECUTIVE SESSION**

- A. To Consider Personnel Matters** [[Idaho Code § 67-2345\(1\)\(b\)](#)]
- B. To Acquire An Interest in Real Property which is not owned by a Public Agency** [[Idaho Code § 67-2345\(1\)\(c\)](#)]
- C. To Consider Records that are Exempt from Disclosure** [[Idaho Code § 67-2345\(1\)\(d\)](#)]
- D. To Consider and Advise Its Legal Representatives in Pending Litigation or Where There is a General Public Awareness of Probable Litigation** [[Idaho Code § 67-2345\(1\)\(f\)](#)]

At 10:07 a.m. a motion was made by Attorney General Wasden to resolve out of Executive Session. During the Executive Session the Board discussed the evaluation of a public officer and the acquisition of an interest in real property not owned by a public agency. Controller Jones seconded the motion. The motion carried on a vote of 3-0, with Governor Otter and Superintendent Luna being absent for this vote. No action was taken by the Board during the Executive Session.

Upon return to regular session, Governor Otter rejoined the meeting.

At 10:10 a.m. a motion was made by Secretary of State Ysursa to adjourn. Attorney General Wasden seconded the motion. The motion carried on a vote of 4-0, with Superintendent Luna being absent for this vote. Meeting adjourned.

#### IDAHO STATE BOARD OF LAND COMMISSIONERS

/s/ C. L. "Butch" Otter

C. L. "Butch" Otter  
President, State Board of Land Commissioners and  
Governor of the State of Idaho

/s/ Ben Ysursa

Ben Ysursa  
Secretary of State

/s/ George B. Bacon

George B. Bacon  
Director

The above-listed final minutes were approved by the State Board of Land Commissioners at the February 21, 2008 regular Land Board meeting.